

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

Auction of Advanced Wireless Service Licenses)	
Scheduled for June 29, 2006)	
)	AU Docket No. 06-30
Comment Sought On Reserve Prices Or)	
Minimum Opening Bids And Other Procedures)	
_____)	

COMMENTS OF CTIA – THE WIRELESS ASSOCIATION®

CTIA – The Wireless Association® (“CTIA”)¹ submits these comments in response to the above-captioned *Public Notice* soliciting comment on the procedures to be used for Auction No. 66, the auction of licenses for Advanced Wireless Services (“AWS”) spectrum.² CTIA applauds the FCC for diligently prosecuting actions necessary to ensure the timely auction of AWS spectrum. Given the potential impact of this, the first, AWS auction on the future of the U.S. mobile wireless industry, the FCC should be cautious in implementing new auction procedures for this auction.

In general, CTIA is concerned about proposals that would result in increased complexity and potential market confusion for one of the most critical auctions in over a decade. For example, CTIA believes that while package bidding may hold promise in future auctions, the fact

¹ CTIA is the international organization of the wireless communications industry for both wireless carriers and manufacturers. Membership in the organization covers Commercial Mobile Radio Service (“CMRS”) providers and manufacturers, including cellular, broadband PCS, and ESMR, as well as providers and manufacturers of wireless data services and products.

² *FCC Public Notice*, DA 06-238, “Auction of Advanced Wireless Service Licenses Scheduled for June 29, 2006, Comment Sought On Reserve Prices Or Minimum Opening Bids And Other Procedures” (rel. Jan. 31, 2006) (“*Notice*”).

that the AWS auction is scheduled for June 29, 2006, raises concerns about implementation of this new bidding proposal.

The auction for AWS spectrum is, by any measure, critical to U.S. mobile wireless carriers and their customers. This auction represents the first significant expansion of allocated spectrum for third generation (“3G”) mobile wireless systems, and substantially increases the overall spectrum available for commercial mobile radio services (“CMRS”). This is, in fact, the first spectrum auction for consumer mobile services where a nationwide allocation of this magnitude is available since the original Personal Communications Services auctions in the early 1990s. CTIA believes that the new services that can be introduced using this spectrum—including expansion of broadband data systems consistent with the Administration’s priorities—will be of incalculable benefit to the American public and to the continued competitiveness of U.S. businesses and industries. This auction also holds the promise of strengthening intermodal competition for mass market broadband offerings.

The Commission has proposed one of two paths for assigning licenses in Auction No. 66: either a single, simultaneous multiple round (“SMR”) auction³ or two contemporaneous auctions (one SMR, one consisting of a package of licenses available for combinatorial bidding).⁴ An SMR auction offers every license for bid at the same time and consists of successive bidding rounds in which eligible bidders may place bids on individual licenses. A bidder may bid on, and potentially win, any number of licenses. Under the SMR-PB format, bidders can place bids on groups of licenses they wish to win in combination, with the result that they win either all of

³ See Notice at 4.

⁴ *Id.* at 5.

the licenses in a group or none of them, in contrast to the license-by-license bidding in the SMR format.

As stated above, CTIA is concerned about the implementation of a combinatorial bidding scheme in such a short time frame. In these comments, CTIA is not passing judgment on the potential benefits of package bidding. Package bidding may hold promise (for example, enabling bidders to create regional and/or nationwide licenses), but there likely is insufficient time to integrate a combinatorial bidding proposal. While package bidding has been proposed for a number of different auctions, it has never been used in an FCC auction. Similar concerns do not exist regarding use of the Commission's standard SMR auction format, as that format has been proven time and again in some sixty prior auctions. A single SMR AWS auction will apply a single set of familiar rules to all bidders, bids, and licenses.

CTIA appreciates and supports the Commission's efforts to hold this auction in June. CTIA believes that in the auction context, in the absence of compelling reasons, the Commission should use standard procedures. Finally, CTIA shares the Commission's desire to bring this spectrum to market, and looks forward to working with the Commission as the auction nears to address the regulatory issues that remain open.

Respectfully submitted,

By: /s/ Christopher Guttman-McCabe

Christopher Guttman-McCabe
Vice President, Regulatory Affairs

Paul W. Garnett
Assistant Vice President, Regulatory Affairs

CTIA – The Wireless Association®
1400 16th Street, NW
Suite 600
Washington, DC 20036
(202) 785-0081

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